



REPUBLIC OF EGYPT

MINISTRY OF FINANCE AND ECONOMY

STATISTICAL AND CENSUS DEPARTMENT

**NATIONAL INCOME OF EGYPT
FOR 1953**

“Official Estimate”

DECEMBER 1954

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PRELUDE

It is generally agreed that the estimation of national income is of the highest importance. The estimate represents a picture drawn for the whole economy summarising the play of all the economic forces. Besides, the estimate being an appraisal notion, aids in the analysis of the various aspects of the economic life.

When the global figure of national income is compared with the total amount of imports and exports, some light is thrown on the degree of dependence on foreign trade. If that global figure is compared with the total amount of various taxes, the share of Government in the national product can be ascertained.

It is of course more useful to show national income in detail. A breakdown by industrial sources is an indicator to the contribution of various activities in the national income. Another breakdown by distributive shares gives an idea about the rewards of different factors contributing in the production process. Again if it is possible to have a third breakdown by expenditure, the part of income devoted to the purchase of consumers goods and that part directed to capital formation can be well understood.

The estimation of national income on a regular basis is useful in tracing the role and changes of its constituents. If those estimates are supplemented by a set of national accounts, that will be a significant tool in the hands of economists as well as politicians.

In this present attempt, the Department has estimated the national income for 1953 by both value added and distributive shares concepts. Yet, it is hoped that national income by expenditure will be made available after promoting the necessary basic information. It is also hoped that estimates for some previous years will be declared as soon as prepared and thus a chain of important figures will be available.

10 Jan. 1955

*Director General
Statistical Department,
HAMED EL-S. AZMI.*

MINISTRY OF FINANCE AND ECONOMY
STATISTICAL DEPARTMENT
CAIRO

Subject : ESTIMATION OF THE NATINAL
INCOME OF EGYPT FOR 1953

DR. MINISTER OF FINANCE AND ECONOMY,

Excellency,

On October the 18th 1954, your excellency have honoured us by your gracious visit-and on this happy occasion you have assigned us the tremendous task of undertaking an estimate of the N.I. of Egypt for the Calendar year 1953.

Your excellency have specified that the work should be completed not later than the 30th of Nov. 1954. I spared neither sweat nor labour from the employees of the Dept. in general and in particular from those of the N.I. Section to achieve this end with every possible precision and care within the limited boundaries of existing official statistics and available authentic figures and reliable data as well as from made up estimates. This being as such, I thought it imperative here to stress.

It gives me great pleasure to present to your excellency to-day the preliminary report of the N.I. of Egypt for 1953 estimated by the "Value added" approach. I am looking very forward to follow it soon with a second estimate based on the "Distributive Shares" method.

I feel satisfied to point out that both methods lead to a very good and near result and that the two ultimate figures are gratifyingly approximate to each other.

I remain, Sir, to be, very truly Yours.

9th Dec. 1954.

Director General
Statistical Department,
HAMED EL-S. AZMI.

MINISTRY OF FINANCE AND ECONOMY

Statistical Department, Cairo.

Estimation of the National Income of Egypt for the year 1953

INTRODUCTION

To estimate the national income, one should study the structure of the national economy which is divided into the following sectors :

- 1.—Government sector.
- 2.—Business sector.
- 3.—Household sector.
- 4.—Rest of the world sector.

There are three methods usually followed to estimate the national income of which two are used here.

1. — *Value added* :

That is, to estimate the aggregate returns of factors of production. (value of production minus the value of commodities and services purchased from other productive units).

2. — *Distributive Shares* :

That is to estimate the return of each factor of production separately, (salaries and wages of labour, interest and rent of capital, and profits of entrepreneurs).

This report presents the estimation of the national income of Egypt for the year 1953, by the value added method — except for the Government sector.

GOVERNMENT SECTOR*

To estimate the income originating in government, the estimated budgets of the fiscal years 52/53 and 53/54, were used to obtain the Government expenditures for the calendar year 1953.

(*) The government sector includes the central government and public institutions which have annexed budgets, such as the universities, national production council, services council, The Egyptian broadcasting system, national researches institute,etc. It also includes the institutions which have independent budgets such as Wakfs Ministry, Al-Azhar and the local governments (provincial councils, municipalities and rural councils including Cairo, Alex., Port-Said Municipalities).

Distributive shares approach was adopted in estimating the income originating in this sector.

The Government activity (1) could be divided into two main types :

(a) Business activity which could be included in the Business sector, such as railways (transport), telephone and telegraph and post (communications) and gas and electricity for Cairo (2) (Gas and electricity and water). The income originating in them amounted to L.E. 18,020,000 approximately as follows :

	L.E.
1.—Wages and Salaries(3)	12,490,000
2.—Supplements to wages and salaries (4)	124,000
3.—Profits, interest and rent	405,000

The last item was estimated by deducting non-capital expenditures (including wages and salaries) from their total receipts.

(b) General activity, includes all activities related to sovereignty and management of the State Affairs. The income originating in here amounted to L.E. 110,244,000, distributed as follows :

	L.E.
1.—Wages and Salaries	96,479,000
2.—Supplements to wages and salaries...	3,020,000
3.—Cotton loan interest	745,000
4.—Imputed rent	10,000,000

The cotton loan interest was solely included here, as interest of other Government. loans are to be considered as transfer payments.

Due to complete lack of data, the rent of government. buildings was estimated arbitrarily. Thus, the income originating in the government sector amounted to L.E. 128,263,927, whilst the total of government expenditures amounted to L.E. 251,963,000.

(1) The value added method could not be applied here, owing to the difficulties involved when estimating the market value of the government. product.

(2) It was not possible to isolate the business from the general activity of the local government., hence they were consolidated.

(3) It includes payments in kind (food and clothes), food and clothes allowances and cost of living bonus.

(4) It includes the government., contributions to insurance and saving funds.

The following represents the Government expenditures and income originating :

	Govt. activity (General)	Govt. activity (Business)	Income originating in govt. sector
Wages and Salaries	96,479,139	12,489,978	108,969,111
Supplements to W. & S.	8,020,185	124,821	3,144,566
Pensions	5,952,285		
Public Debt	6,812,440		
Cotton loan interest	745,000		745,000
Current expenditures (commodities and non-personal services)	41,567,597	6,955,133	
Capital expenditures	52,291,201	7,091,515	
Subsidies and transfer payments ...	18,364,301	70,097	
Profits of govt. activity (Business) ...			5,405,310
Imputed rent...			10,000,000
 Total ...	225,239,142	26,731,944	123,263,297
		251,963,186	

BUSINESS SECTOR

Agriculture.—The value added method was used to estimate the income originating in agriculture (subtracting cost elements from the total value of vegetative and animal produce).

GROSS VALUE

Vegetative production.—The estimation of output of the agricultural crops, vegetables and fruits was based on official data — of area and yield per feddan in the various seasons — published by the Ministry of Agriculture

Averages of wholesale prices in the markets and bourses in the three months following the harvest season of the produce were adjusted to represent the prices on the farm⁽¹⁾. Quantities delivered to the government were evaluated at the official prices, after being reduced to represent the prices on the farm.

Animal production.—The estimation of number of slaughtered animals in 1953 was based on the data of the Animal Survey (small, medium, big) published officially by Ministry of Agriculture, taking into consideration the birth rate. We got the average weight of the produced net meat in tons from the data of Cairo abattoir, which prices are supposed to represent prices on farm, on the assumption that the value⁽²⁾ of skin, viscera and limbs equals expenses and profits of the wholesale traders.

As to the meat of poultry, we reduced the official wholesale prices to represent prices on the farm.

We estimated the number of milking heads of various animals and the average yield of each kind. The milk produced was classified by usage; for drink, manufacturing of cheese, butter... etc., according to certain estimated proportions.

The official wholesale prices of cheese and milk, and the retail prices of ghee and butter were adjusted to get prices on farm.

The quantity of eggs was estimated on the basis of the official data published by Ministry of Agriculture. The farm price of eggs was estimated as a certain proportion of the average wholesale price. We estimated special representing 75% prices of the eggs in incubators.

We used the data of the Agricultural Statistics Section, Statistical Department to estimate the quantity of fish which was valued at prices representing 75 % of the wholesale prices in the markets.

The value of honey, wax, rayon and wool was included in the value of animal produce.

Cost elements.—To get the total income originating in agriculture, we subtracted from the gross value costs of production such as seeds, fertilizers, insecticides and fuel. The actual value of inputs was adopted whenever available. Failing this, an estimate was made. However in all cases prices were brought to the farm level.

(1) The prices of Unginned cotton on farm were estimated on the basis of price. averages weighted by quantities of the various grades of each kind in Mina-El Basal, Sums distributed by the govt. among the producers at the end of the season as profits were added. The estimation of value of the agricultural by-products such as chaff, stalks, was based on the prices shown in the monthly bulletin of the agricultural & economic statistics. We got the data of the products which have no published prices, from the main producers, wholesale traders and the govt. stores.

(2) This value amounts to L.E. 3.5 for the big animal.

We got the net income by deducting the depreciation of capital used in agriculture from the total income.

	L.E.	L.E.
<i>Gross value...</i>		377,238,000
Vegetative production	305,418,000	
Animal production	71,820,000	
<i>Costs</i>	—	104,440,000
<i>Value added</i>	—	272,798,000

PRESSING AND GINNING MILLS

The income originating in this activity was estimated by the value added method. The cost of ginning and hydraulic pressing per-cantar of the 1953 harvest (which amounted to 6,635,000 cantars) was estimated on the basis of some information obtained from the Industrial Production Census. The cost of steam pressing of exported cotton during 1953 (7,223,000 cantars) was also estimated.

	L.E.
Ginning & hydraulic pressing	2,428,000
Steam pressing ...	1,582,000
TOTAL	4,010,000
Cost elements ...	—
Ginning & hydraulic pressing	796,000
Steam pressing ...	390,000
TOTAL	1,186,000
Originating income ...	2,824,000

Mining and Quarrying — Manufacturing — Electricity, Gas and Water:

Wages paid in 1953⁽¹⁾ were estimated in various activities according to their geographical distribution. A breakdown of establishments by size derived from the census of industrial production conducted in the second half of 1953 was made use of. The value added was obtained by applying the ratio between wages and value added.

⁽¹⁾ Sources of wages — Industrial Production Census (the last week in June 1953) — Wages and Working hours census (the last week in July 1953, last week in Jan. 1954) — Total paid wages and total persons engaged in 1953 in joint stock companies (joint stock companies Administration-Ministry of Commerce & Industry) — Most of data of the persons engaged were obtained from the general enumeration of establishment undertaken in July 1954 supplemented by data obtained from other sources.

Mining and Quarrying:

The originating net value added in this activity was estimated at L.E. 2,910,000 on the basis of the average number of persons engaged in 1953 which amounted to 12,560, the average annual wage that amounted to L.E. 142 and the proportion of the net value added to total salaries and wages that amounted to 163%.

Manufacturing (1)

The net value added in this activity was estimated at L.E. 65,876,000. The total number of persons engaged amounted to 384,700 and the average annual wage was estimated at L.E. 114 (2) Since the proportion of the net value added to the aggregate wages differs according to the type of industry and size of establishment, we used different proportions for each separately.

Electricity, Gas and Water (non-governmental) (3)

The net value added was estimated at L.E. 2,560,000. The average number of persons engaged in 1953 amounted to 4,460 and the average annual wage per person engaged (most of them are administratives and technicians) amounted to L.E. 264.

Construction:

The value of the imports of construction materials amounted to L.E. 9,726,000, whereas the value of exports and re-exports amounted to L.E. 955,000 and the value of the domestic production of these materials amounted to L.E. 8,600,000 with the exception of brick kilns which are used in the country-side and small towns (estimated at L.E. 2,000,000). Assuming that there was no marked change in stocks, the value of raw materials consumed in construction amounted to L.E. 20,326,000.

Consulting Ministry of municipalities and rural affairs, we estimated the proportion of the value added to the value of raw materials at 100% Thus the value added amounted to L.E. 20,326,000. This includes the value added of all types of construction (buildings - roads - bridges.., etc.)

(1) Manufacturing includes, according to the International Standard Industrial classification, industries from 20 to 39, such as food industries, beverages, tobacco, spinning and weaving, chemical and metallic industries.., etc.

(2) This figure does not represent correctly the average annual wage, because in the establishments which have less than 5 persons engaged, it includes entrepreneurial withdrawals which exceed the average wage. This increase differs according to the size of the establishments.

(3) This does not include the establishments owned by the govt. or power stations related to establishments utilizing these stations in their own production or consolidating their accounts with other types of activities.

Wholesale and Retail trade :

Number of persons engaged in trade ⁽¹⁾ amounted to 297,000, including 160,000 employers. Wages of employees, were estimated at L.E. 35,078,000. The proportion of the value added (total profits plus wages) to the total wages was estimated on the basis of data derived from the final accounts of the joint stock trading companies. As to the establishments ⁽²⁾ which employ 5 or more persons other ratios were used.

The value added amounted to L.E. 129,446,000.

Financial and real-estate and insurance activities :

Financial and real estate activities :

Data of persons engaged and wages were obtained from joint stock Co. administration, Ministry of Commerce and Industry. We got the data of the total profits from the profits and loss statements of the joint stock companies. The value added was estimated by adding total wages to total profits.

	Financial activities	Real estate	TOTAL
Wages & Salaries	5,546,000	494,000	6,040,000
Total profits	10,854,000	1,252,000	12,106,000
Value added	16,400,000 ⁽³⁾	1,746,000	18,146,000

Insurance :

Components of the value added in insurance are: wages and salaries commissions and total profits ⁽⁴⁾. Data are obtained from the "Insurance year-book (Ministry of Finance) 1952". 10% is added to get the 1953 figures :

	L.E.
Wages & salaries and commissions	2,173,000
Rent & interest and profits	518,000
Value added	2,691,000

⁽¹⁾ The establishments general enumeration July 1954 - Statistical Dep.

⁽²⁾ The entrepreneurial withdrawals were computed as follows : size (1&2) 150% of the average wage per worker, size (3&4) 200% of the average wage per worker. Thus the value added : in size (1) amounted to 150% of the average wage, in size (2) amounted to 150% + 50% of the average wage of the worker, considering that the worker here works part-time or works as apprentice, in size (3) amounted to 400% of the average annual wage, in size (4) amounted to 500% of the average annual wage.

⁽³⁾ Due to the lack of reliable data, depreciation was not deducted.

⁽⁴⁾ We computed only that part of profits related to insurance activities, that Profits related to the investments of insurance companies, were excluded.

Transport and storage :

Transport :

We relied upon the data of Ministries of Interior, Communications, Commerce and Industry to obtain the number of various means of transport.

	Net value added
	L.E.
Transport within cities	40,763,000
Air navigation	3,014,000
Marine navigation	2,867,000
Internal navigation	2,904,000
Larts	2,581,000
Total value added	52,129,000

Storage :

We relied here upon the data of the establishments enumeration to get the number of persons engaged. Their wages were estimated on the basis of wages and working hours census, and they amounted to L.E. 1,206,000. The value added amounted to L.E. 2,851,000.

Services (1) :

Number of persons engaged was obtained from the 1954 enumeration of establishments. Their wages were estimated on the basis of wages and working hours census, and they amounted to L.E. 23,655,000, with the exception of free professionals.

The net value added amounted to L.E. 36,854,000, while profits of those free professionals amounted to L.E. 16,674,000.

Total value added and profits of free professionals=L.E. 53,528,000

Minor occupations (2) :

We got their number from the 1947 census and their annual wages were estimated at L.E. 24,966,000.

Housing rent :

Data here were obtained from the Estate Tax Dep. as regards to the fixed dues, and from the Statistical Dep. as regards to the number of dwellings (the 1947 census) which was raised according to the annual estimated increase of population. We deducted a certain proportion of the estimated rent to represent rent of buildings occupied by the business sector. Thus, the net rent of the dwellings amounted to L.E. 57,686,000.

(1) Services include sanitary, social, commercial, entertainment and personal services, and also include the profits of those of the free professionals.

(2) Minor occupations include shoe-polishers, dragomen, jockeys, dancers, hawkers, porters,.....etc.

Household Sector :

The originating income in this sector was estimated by wages (in cash and in kind) paid to servants in houses ⁽¹⁾. This income amounted to L.E. 27,500,000.

Rest of the World Sector :

As national income represents income of usual residents whether Egyptians or foreign nationals, the domestic income was adjusted by the difference between income payable abroad and income paid from abroad as follows :

	L.E.	L.E.
Total payments to Egypt		9,600,000
Profits & interest	6,300,000	
Wages paid by Suez Canal Co.	2,300,000	
Share of Government in Suez Canal Co. profit	1,000,000	
Total payments abroad		17,400,000
INCOME		— 7,800,000

⁽¹⁾ Servants in houses include governesses, cooks, drivers, butlers,.....etc.

NATIONAL INCOME OF EGYPT FOR THE YEAR 1953

	L.E.
Govt. Sector ...	128,264,000
Business Sector ...	708,737,000
	L.E.
Agriculture ...	272,798,000
Pressing and Ginning mills ...	2,824,000
Mining and Quarrying ...	2,910,000
Manufacturing ...	65,876,000
Electricity, gas and water ...	2,650,000
Construction (Private and Govt.) ...	20,326,000
Wholesale and retail trade ...	129,446,000
Financial and real-estate activities ...	18,146,000
Insurance ...	2,691,000
Transport ...	52,129,000
Storage ...	2,851,000
Services ...	53,528,000
Other professions ...	24,966,000
Housing, rent ...	57,686,000
Household Sector ...	27,500,000
Rest of the World Sector ...	—7,800,000

Thus the estimation of national income for the year 1953 amounts to 856,701,000

Notice : Margin of error approximates to ± 10

HAMED EL-S. AZMI.

Director General.
Statistical Department.

THE VALUE ADDED IN AGRICULTURAL PRODUCTION IN 1953
(L.E. 000)

Gross Value of the Agr. Production	Cost elements	Value added
377,238	104,440	272,748

THE GROSS VALUE OF THE AGRICULTURAL PRODUCTION IN 1953

Kind of Production	Value in (L.E. 000)	Gross Value in (L.E. 000)
Winter crops ...	115,910	
Summer crops ...	118,713	
Flood crops ...	37,197	
Total ...		271,820
Vegetables ...	18,097	
Fruits ...	14,800	
Fruits nurseries, timber trees, bulbs and flowers...	701	
Total of vegetables and fruits...		33,598
Total vegetative productions ...		305,418
Meats ...	32,039	
Milk and its products ...	20,989	
Poultry ...	10,929	
Wool ...	538	
Honey and wax ...	316	
Silk and worms ...	9	
Fish and its products ...	7,000	
Total animal production ...	71	71,820
Grand Total of the Agricultural production...		377,238

WINTER CROPS

Kind of Crop	Cultivated area in (000 fed.)	Yield per fed.	Unit	Total production in (000 units)	Price in piastre	Total value in (L.E. 000)
Wheat	Grains	1790.3	5.76	ardeb	10311.2	458
	Chaff	—	7.5	load	13427.1	64
	TOTAL ...					56.387
Clover	Fodder... ...	2388	—	—	—	38.903
	Seeds	245.8	1.03	ardeb	252.3	1.134
	Chaff	—	2	load	492	30
	TOTAL ...					41.912
Beans	Grains	298.7	4.51	ardeb	1347.5	482
	Chaff	—	3.93	load	1174	70
	TOTAL ...					7.322
Onion	Grains	28.5	141	cantar	4029.2	76.2
	Chaff	1.7	1	ardeb	1.7	4.500
	TOTAL ...					3.147
Lentils	Grains	69.1	4.27	ardeb	295.5	790
	Chaff	—	3.27	load	226	99
	TOTAL ...					2.558
Barley	Grains	116.2	7.40	ardeb	860	248
	Chaff	—	4.22	load	490	49
	TOTAL ...					2.373
Fenugreck	Grains	52.6	3.99	ardeb	209.7	470
	Chaff	—	3.27	load	172	93
	TOTAL ...					1.146
Other crops	... ... ...	33.2	—	—	—	1.065

SUMMER CROPS

Flood Crops

VEGETABLES

Kind of Vegetable	Cultivated area in (ooo-fed.)	Production in (ooo ton)	Price of ton (L.E.)	Value (L.E.ooo)
Winter Vegetables ...	Tomato	30.4	118.3	11.3
	Garlic	8.6	22.4	14.5
	Vegetable marrow ...	4.8	26.3	6.1
	Peas	3.6	8.3	16.9
	Lettuce	1.5	11.2	9.2
	Other Vegetables ...	14.6	68.9	—
	TOTAL ...	63.6	255.3	2540
Summer Vegetables...	Water-melon ...	28.0	257.5	8.6
	Tomato	23.4	140.7	11.6
	Water-melon (americ.)	15.2	144.1	10.6
	Potato	9.0	73.0	13.2
	Cucumber	15.6	74.4	12.0
	Melon	9.9	90.4	7.7
	Okra	5.1	21.8	17.2
	Other Cucurbits...	6.3	52.6	7.0
	Jews mallow ...	3.8	33.6	8.1
	Sweet-Potato ...	5.1	37.3	6.3
	Vegetable marrow ...	6.1	33.8	6.1
	Other vegetables ...	15.2	76.5	—
	TOTAL...	142.8	1035.7	10098
Flood Vegetables ...	Tomato	30.1	180.4	9.7
	Patato	18.3	114.1	14.1
	Cabbage	13.7	167.2	4.3
	Cai:iflower	3.9	39.8	8.3
	Cucumber	3.9	19.6	12.0
	Vegetable marrow ...	6.6	37.5	6.1
	Other Vegetables ...	15.5	57.4	—
TOTAL ...		92.0	616.1	5,459
GRAND TOTAL ...		298.4	1907.1	18,097

FRUIT

Fruit Crop	Fruit Bearing area in (000 fed.)	Total of production in (000 tons)	Average Form price per ton (L.E.)	Value of Production in (L.E. 000)
Date ...	—	289.0	9.9	2856
Orange ...	23.3	183.7	14.9	2732
Grape ...	18.5	94.0	24.4	2291
Mango...	7.9	62.2	31.7	1972
Banana	6.3	38.0	45.8	1741
Mandarin	7.9	73.3	10.1	742
Leafs and stalks (Palm trees)	—	—	—	500
Lime ...	3.8	32.0	13.8	441
Guava ...	5.2	33.4	13.2	441
Pomegranate	1.8	11.9	17.1	203
Apricot	1.3	7.6	25.7	195
Figs	1.5	8.8	18.7	164
pear	0.6	2.4	44.6	106
Peach ...	0.6	2.8	37.6	104
Olives ...	1.5	3.0	32.0	97
Lemon...	0.6	4.5	15.1	67
Plum	0.5	1.1	53.9	62
Apple ...	0.5	2.7	24.1	38
Custard apple	0.1	0.3	50.1	13
Others	0.5	—	—	35
TOTAL ...	82.4	870.7		14,800

MEAT PRODUCTION

Kind of meat	Members of heads (000 unites)	Production (000 tons)	Value of Production (L.E. 000)
Beef and veal	508.6	80.7	12555
Buffalo	545.9	75.4	10854
Mutton	1528.3	24.0	5537
Goat	846.4	9.6	2201
Camel	35.6	9.4	738
Pig	22.0	0.8	154
TOTAL...	3486.8	199.8	32039

POULTRY PRODUCTION

KIND	Number of slaughtered animal in (000 units)	Production in tons (net weight)	Equivalent live-weight (000 rotls)	Price of rotl in piastre	Value of Production (L.E. 000)
Hens	62,930	20,408	54,868	9.0	4,954
Rabbits	6,090	3,654	16,266	6.2	1,005
Geese	3,600	3,960	10,446	5.7	595
Ducks	4,575	3,431	8,934	5.7	509
Turkeys	912	1,900	4,736	9.9	468
Pigeons	6,015	1,203	2,998	9.0	271
TOTAL					7,802
Value of fresh eggs		491,000,000 × 5	...	...	2,455
Value of eggs in chickens incubators		84,000,000 × 8	...	...	672
Total value of eggs		...	...	...	3,127
Total of poultry production		...	...	...	10,929

MILK PRODUCTS

(Quantity in 000 rotls—Value in L.E. 000)

Kind	Quantity of produced milk	Milk of drink		Cheese		Butter		Glee		Skimmed cheese		Total Value of milk products
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
Buffalo-milk	1,364,825	136,483	1,365	102,362	5,159	17,197	1,788	36,850	5,012	112,025	2,241	15,565
Cow-milk	576,395	57,640	576	69,167	3,486	1,891	196	4,539	617	21,788	436	5,311
Goat-milk	6,330	6,330	63	—	—	—	—	—	—	—	—	63
Sheep-milk	3,134	313	3	940	47	—	—	—	—	—	—	50
Total	1,950,684	200,766	2,007	172,469	8,692	19,088	1,984	41,389	5,629	133,813	2,677	20,389

VALUE OF INPUTS IN AGRICULTURE

	Inputs	(Value LE 000)
Seeds	Crops Vegetables... Fruits Imported plants	15,733 1,144 87 21
	TOTAL ...	16,985
Fertilizers	Crops (nitrate) „ (super) Vegetables (nitrate and super) Fruits (nitrate and super) ... Organic fertilizers	17,504 2,187 937 608 500
	TOTAL ...	21,736
Feeds	Clover Chaff Beans Barley... Cotton seed-cakes Rice bran Vetch Bran Maize and millet Residues of mills (Excluded because of being consumed by animals or out-side the farms) ...	34,902 8,782 3,785 1,566 2,664 97 42 551 6,020 628 —2,126
	TOTAL ...	56,911
Insecticides	... ... ... ...	109
Fuel and Oils	... ... ... ...	6,239
Maintenance and depreciation	... ... ...	2,460
	GROSS VALUE...	104,440

INCOME ORIGINATING IN GOVT. SECTOR IN 1953 (CALENDAR)

Type of income	Total	Central Govt.	Departments of business activity	War ministry	Annexed budgets	Al-Azhar	Wakfs ministry	Local institution
Wages and Salaries ...	103,969,111	68,028,780	12,489,978	14,933.451	3,626,910	1,145,495	2,159,530	6,584,967
Supplements to wages and salaries	3,144,506	2,548,345	124,321	—	344,248	72,967	54,625	—
Interest	745,000	745,000	—	—	—	—	—	—
Profits	5,405,310	—	5,405,310	—	—	—	—	—
Rent	10,000,000	10,000,000	—	—	—	—	—	—
Grand Total ...	128,263,927	81,322,125	18,019,609	14,933,451	3,971,158	1,218,462	2,214,155	6,584,967

TYPE OF EXPENDITURES OF THE CENTRAL GOVT., ANNEXED BUDGETS AL-AZHAR, WAKFS
AND LOCAL INSTITUTIONS IN THE YEAR 1953 (FISCAL)

Classification	Total	Wages and Salaries		Claims and Pensions	Public Debt	Expenditures		Transfer Payment	Appropriation to institutions
		Original	Supplements			Current	Capital		
Central Govt.									
1. Civil	127,733,516	68,532,885	3,440,735	6,130,700	6,869,500	12,335,660	10,991,033	12,798,463	6,634,540 ⁽¹⁾
2. Military	43,060,100	14,848,900	—	—	—	16,970,900	11,240,300	—	—
3. Departments of business activity (Railways, Telephone, Telegraph, Post, Electricity and Gas Administration, Cairo).	26,722,384	12,713,554	128,891	—	—	7,127,359	6,741,080	110,500	— 21
4. Annexed Budgets	59,437,200	4,324,171	680,095	480,000	1,646,000	4,300,689	47,900,600	105,645	— —
5. Al-Azhar and Wakfs	8,179,110	3,138,955	134,614	195,720	24,265	2,811,930	1,088,900	774,726	— —
6. Local Govts.	17,975,896	6,678,655	—	—	—	5,588,122	5,709,119	—	—
7. GRAND TOTAL	376,473,666	110,237,120	4,384,335	6,806,420	8,549,765	49,134,669	83,671,033	13,690,334	6,634,540

(1) The appropriations to the institutions should be deducted from the total expenditures to avoid duplication because this is included in the expenditure side of these institutions (283,108,206 — 6,634,540 = L.E. 276,473,666).

State Railways Budget

Types of Expenditure

Types of Receipts

1952-1953

	L.E.		L.E.
Salaries & Wages ch. "1" ...	3,042,000	Receipts ch. "21" ...	15,100,000
Salaries & Wages ch. "2&3" and "other chapters" ...	2,043,558	Deductions from the employees salaries ch. "28"	42,000
Cost of living bonus ...	3,300,000		
Supplements to salaries (in money & in kind) ...	88,482		
Current expenditure ...	4,013,520		
Productive expenditure ...	4,508,200		
Transfer Payments ...	116,540		
	17,109,300		
Pensions sect. "20" ...	640,000		
	17,569,300		
			15,142,000

1953-1954

	L.E.		L.E.
Salaries & Wages ch. "1"	3,360,000	Receipts ch. "21" ...	14,450,000
Wages ch. "2&3" and "other chapters" ...	2,110,420	Deductions from the employees salaries ch. "28"	43,320
Cost of living bonus ...	3,390,000		
Supplements to salaries (in cash & in kind) ...	88,308		
Current expenditures ...	4,845,772		
Productive expenditures ...	4,258,500		
	18,953,000		
Pensions sect. "22" ...	472,000		
	18,525,000		
			14,493,320

Electricity and Gas Administration

Types of Expenditure

Types of Receipts

1952-1953

	L.E.
Wages & Salaries ch. "1"...	229,900
Wages & Salaries ch. "2&3" and "other chapters"...	200,000
Cost of living bonus...	190,000
Supplements to salaries in kind	1,900
Indemnities for Govt. employees	1,500
Current expenditure...	1,642,500
Productive expenditure ...	1,734,200
	4,000,000

	L.E.
Electricity receipts	3,600,000
Gas receipts	4,000,000
	4,000,000

1953-1954

Wages & Salaries ch. "1"...	208,000
Wages & Salaries ch. "2&3" and "other chapters"...	225,000
Cost of living bonus...	190,000
Supplements to salaries in kind	950
Current expenditure...	1,258,850
Productive expenditure ...	2,216,200
Transfer payments ...	1,000
	4,100,000

Electricity receipts	3,850,000
Gas receipts	250,000
	4,100,000

Telephone and Telegraph Budget

Types of Expenditure

Types of Receipts

1952—1953

L.E.

Wages & Salaries ch. "1"	994,500	Receipt ch. "22"	4,400,000
Wages & Salaries ch. "2 & 3" and "other chapters" ...	298,000	Deductions from the employees Salaries ch. "28" ...	13,100
Cost of living bonus	900,000		
Supplements to salaries in kind Indemnities for Govt. employees	11,000		
	1,000		
Current expenditure	397,407		
Productive expenditure ...	198,610		
Transfer payments	483		
Contributions to international	3,811,000		
Organization ...	76,800		
	3,887,800		
			4,413,000

1953—1954

Wages & Salaries ch. "1" ...	1,048,330	Receipts ch. "22"	4,600,000
Wages ch. "2 & 3" and "other chapters"	335,000	Deductions from the employees	11,820
Cost of living bonus	739,600		
Supplements to salaries (in money and in kind) ...	24,233		
Current expenditure	376,207		
Productive expenditure ...	265,230		
Transfer payments	8,000		
Contribution to international organizations ...	2,846,600		
Pensions sect. "22" ...	81,700		
	3,928,300		
			4,611,820

Post Office Budget

Types of Expenditure		Types of Receipts	
		1952—1953	L.E.
Wages and Salaries ch. "1"	663,960	Receipts ch. "22"	1,650,000
Cost of living bonus ...	404,000		
Supplements to salaries (in kind)	13,000		
Saving funds	6,870		
Current expenditure ...	729,480		
Productive expenditure ...	240		
Transfer payments ...	670		
Contribution to international Organizations	1,000		
	1,898,920		
Pensions sect. "20" ...	145,655		
	1,964,575		
			1,650,000
		1953—1954	
Wages and Salaries ch. "1"	652,900	Receipts ch. "22"	1,650,000
Wages ch "2 & 3" and "the other chapters" ...	20		
Cost of living bonus ...	404,484		
Supplements to salaries (in kind)	7,400		
Transfer Payments (saving funds)	8,000		
Current expenditure ...	646,530		
Productive expenditure ...	1,150		
Transfer payments (contribution to international organizations)	2,500		
	1,722,784		
Pensions	156,088		
	1,878,872		
			1,650,000

MINISTRY OF FINANCE
AND ECONOMY
STATISTICAL DEPARTMENT
CAIRO

Subject: ESTIMATION OF THE N.I.
OF EGYPT FOR 1953 BY
THE "DISTRIBUTIVE SHARES"
APPROACH.

DR. MINISTER OF FINANCE AND ECONOMY,

Excellency,

Following my previous report on the N.I. of Egypt by the "Value Added" method presented to you on the 9th of Dec. 1954, in which I expressed my hope to follow it with a second estimate for the same year based on the Distributive Shares approach, I have the honour to submit this new estimation. The N.I. figures by the new method was found to be equal to L.E. 833 million, whilst in the first it reached L.E. 856 million.

Obtaining such near results by two different methods may be ascertained as evidence of accuracy and soundness of the estimation.

I remain, Sir, to be,

20 Dec. 1954.

Very truly Yours,

HAMED EL-S. AZMI,

Director General
Statistical Department

EGYPT'S NATIONAL INCOME IN 1953 BY "DISTRIBUTIVE SHARES"

In its first attempt, the Department estimated the national income according to the value added concept. The economy was divided into four major sectors. Income by various activities was shown in every possible detail.

In this second attempt, the national income is estimated by distributive shares. Detailed and independent estimates of these shares are desirable but are handicapped by certain difficulties. Consequently some shares could not be shown separately as in case of non-agricultural profits & interest and agricultural wages, profits & interest.

The distributive shares obtained are shown hereunder.

DISTRIBUTIVE SHARES IN 1953.

Distributive shares	Value	L.E. 000
Rent	197	374
Non-agricultural profits & interest	194	910
,, wages & salaries	290	851
Agricultural wages, profits & interest...	149	520
TOTAL	832	655

It is obvious that total shares and total value added are close enough and this gives confidence in the two estimates.

ESTIMATES OF RENT

1.—*Taxable private buildings:*

Rent on taxable buildings were estimated at 37,548,000 L.E. on the basis of the building tax in 1953.

2.—*Untaxable private buildings:*

In case of untaxable zones, rent was estimated at 26,548,000 L.E. The estimate was based on the number of rooms as obtained from the 1947 population census. It was assumed that the number of rooms has increased by the same proportion as the number of families. The annual rental value of a room was assumed to be 250 P.T.

Consequently, total private rent = 64,096,000 L.E.

2.—*Publicly owned buildings*:

Owing to the lack of basic information, rent was arbitrarily estimated at 10,000,000 L.E.

4.—*Rent of agricultural land*:

Land rent was estimated at 123,278,000 L.E. on the basis of a certain study made by the Ministry of Agriculture. According to that study, the cultivated area was 6,109,208 Feddan whereas the average yearly rental value per fedan was 20,179 L.E. (see-Monthly Bulletin of the Department of Agricultural Economics and Legislation — May 1954, P.P. 83-85).

Consequently, total rent=197,374,000 L.E.

PROFITS AND INTEREST IN THE BUSINESS SECTOR—EXCLUDING AGRICULTURE.

Owing to the lack of basic statistics, profits and interest were not shown separately. They were estimated together at 163,871,000 L.E. on the basis of tax information about commercial and industrial profits, movable wealth and non-commercial professions. The business sector was divided into two categories:

- (a) Corporate business for which profits and interest amounted to 47,724,000 L.E.
- (b) Non-corporate business for which profits and interest amounted to 116,147,000 L.E.

Mr. Trayler, the American advisor to the Taxation Department believes that tax evasion in Egypt ranges between 25-30 %, but this percentage seems rather high. Only 20% was adopted in case of non-corporate business while 5% was adopted in case of corporate business.

Consequently, tax evasion was estimated at 2,386,000 L.E. and 23,229,000 L.E. for corporate and non-corporate businesses respectively.

Profits and interest of the business sector-excluding agriculture-can be shown as follows:

	L.E.
Corporate business	50,110,000
Non-corporate business	189,376,000
TOTAL	<u>189,486,000</u>

Profits of non-commercial professions were estimated at 16,674,000 L.E. on the basis of some tax data.

PROFITS AND INTEREST ORIGINATING IN THE GOVERNMENTAL SECTOR:

	L.E.
Cotton loan interest	745,000
Government enterprises profits and interest	5,405,310
TOTAL	6,150,000

GRAND TOTAL OF PROFITS AND INTEREST **212,310,000**

REST OF THE WORLD SECTOR

Distributive shares in this sector represent the difference between income paid from abroad and income payable abroad. The former was already included in the business sector. The latter was estimated at 17,400,000 L.E. according to the Balance of Payments Statistics in 1953. This was excluded from profits and interest of the business sector.

CONSEQUENTLY:

	F.E.
Profits and interest of the business sector ...	189,486,000
" " " " non residents ...	17,400,000
TOTAL	172,086,000

WAGES AND SALARIES

Government

Wages and Salaries originating in Gov. were estimated at L.E. 112,114,000 by averaging total wages and salaries obtained from the 1952/1953 and 1953/1954 budgets.

Business sector-excluding agr.

For this sector, wages and salaries were estimated at 151,237,000 L.E. Number of persons engaged by industry was obtained from the enumeration of July 1954. Wages brackets by industry and district were obtained from wages and working hours statistics, July 1953 and January 1954.

Household sector :

Wages in cash and in kind were estimated at 27,500,000 L.E. Consequently, Total wages and salaries=290,851,000 L.E.

Agricultural wages. interest and profits.

These shares were not shown separately. They were derived by subtracting agricultural rent from the value added in the agricultural activity and they amounted to 149,520,000 L.E.

Director General Statistical Dept.
HAMED EL-S. AZMI.

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